CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

AUGUST 2, 2005

INVOCATION:
Pastor Jim Schrotel of Unity Chapel of Light Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Trujillo led the pledge of allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino.

STAFF MEMBERS PRESENT
City Manager Ness, Assistant City Manager Haydon, City Attorney Trujillo, Police Chief Macagni, Director of Administrative Services Snodgrass, Director of Community Development Lindsey, Fire Chief Ortiz, Director of Recreation and Parks Posada, Director of Public Works Karp, Solid Waste/Utilities Engineer Zhao, and Chief Deputy City Clerk Perez.

COMMENDATION FOR DALLAS JENSEN
Mayor Lavagnino read a resolution commending and congratulating Dallas Jensen, Police Sergeant for the Santa Maria Police Department, upon his retirement after thirty years of faithful, distinguished, and devoted service to the City and the community.

Resolution No. 2005-120 was adopted commending and congratulating Dallas Jensen on motion by Councilmember Mariscal, seconded by Councilmember Patino, and carried on the following vote:

AYES:	Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Mayor Lavagnino presented the resolution to Dallas Jensen and thanked him for his many years of service to the Police Department and the City.

PROCLAMATION – CHILD SUPPORT AWARENESS MONTH
Councilmember Patino read a proclamation declaring the month of August as "Child Support Awareness Month" in the City of Santa Maria and supporting the efforts of Santa Barbara County to maximize public awareness and increase the efficiency of the Child Support Program. The proclamation was presented to Juanita Hernandez from the Santa Barbara County Department of Child Support Services.

PROCLAMATION – NATIONAL NIGHT OUT
Councilmember Orach read a proclamation declaring Tuesday, August 2, 2005, as "National Night Out" in the City of Santa Maria and urging all citizens to join the Housing Authority of the County of Santa Barbara and the National Association of Town Watch in supporting the 22nd Annual National Night Out. The proclamation was presented to Ted Zenich from the Housing Authority of Santa Barbara County.

PUBLIC COMMENT
Nicholas Andersen spoke regarding code violations and scare tactics for tenants at the Meridian Apartment Homes.

Ernest Armenta spoke regarding the reasons people did not run for office, establishing caps on campaign funds, legislative committee formation, and dividing the City into districts for election purposes.

Dan Kirk spoke regarding Unocal's transfer of contaminated impacted sand to the Santa Maria Landfill. He distributed a list of questions to be answered.

David White also spoke regarding importing contaminated soil to the Santa Maria Landfill and the lack of proper environmental review and notification.

Thomas Gibbons spoke regarding movement of contaminated soil to the Santa Maria Landfill.

Ray Alexander also spoke on the same subject.

Mayor Lavagnino requested Solid Waste/Utilities Engineer Zhao respond in writing to the speakers.

CONSENT CALENDAR
Councilmembers Trujillo and Patino requested Item 3G be pulled for comment.

Item 3G - Subrecipient Agreement with Allan Hancock College
Councilmember Trujillo said this was another good example where the City joined with another agency, in this case Allan Hancock College, to do something good for the community.

Councilmember Patino agreed. The public should be aware that this is going on and it will be something good for the community and the north side of the City.

Councilmember Mariscal announced that he would be abstaining from voting on Item B, the Minutes of the last meeting, since he was absent from that meeting. He asked the City Attorney if he could vote on Items 3I and 3O, second reading of two ordinances that were discussed at the last meeting.

City Attorney Trujillo responded that if a Councilmember had reviewed the staff report and the tape of the meeting and felt fully informed of the issues, the Councilmember could vote on the items.

Consent Calendar Items A through O were approved with the indicated action on motion by Councilmember Patino, seconded by Councilmember Orach, and carried on the following vote:

AYES:	Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES:	None
ABSENT:	None
ABSTAIN:	Councilmember Mariscal (Item B only)

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar are adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of July 19, 2005, were approved as submitted.

C. RELEASE OF BOND
Certain public improvements were accepted as complete and a Faithful Performance Bond posted in connection with The Village, Tract 5846, in the amount of $251,373 for the installation of boundary walls was authorized for release with the order that the Contractor, Labor and Material Bond be held until February 2006.

D. RELEASE OF BOND
Certain public improvements were accepted as complete and a Faithful Performance Bond posted in connection with North Preisker Ranch, Tract 5763, Phase 5, in the amount of $173,194 for the installation of public landscaping and irrigation was authorized for release with the order that the Contractor, Labor and Material Bond be held until February 2006, and the Planting and Irrigation Maintenance Bond be held until August 2006.

E. WARRANTS
Warrant Nos. 121501 to 121786 in the amount of $3,061,081.92 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrants No. 115530, 116248 and 121396 were cancelled.

F. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads as shown on records on file in the Administrative Services Department and having been approved for payment by the Director of Administrative Services.

G. SUBRECIPIENT AGREEMENT
Resolution No. 2005-121 was adopted approving a Subrecipient Agreement with Allan Hancock College and approving a revenue and appropriation budget amendment for grant funding under the Federal Hispanic-Serving Institutions Assisting Communities (HSIAC) Program.

Resolution No. 2005-121 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA AUTHORIZING THE CITY MANAGER TO EXECUTE A SUBRECIPIENT AGREEMENT WITH ALLAN HANCOCK COLLEGE, ANY AMENDMENTS THERETO, AND ANY OTHER DOCUMENTS NECESSARY ON BEHALF OF THE CITY OF SANTA MARIA TO SECURE GRANT FUNDING THROUGH THE HISPANIC-SERVING INSTITUTIONS ASSISTING COMMUNITIES (HSIAC) PROGRAM FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) AND APPROVING A REVENUE AND APPROPRIATION BUDGET AMENDMENT.

H. ABC LICENSE
A Notice from the California Department of Alcoholic Beverage Control of an application for an Alcoholic Beverage License for California Sushi and Teriyaki located at 416 E. Main Street was noted and filed.

I. ORDINANCE NO. 2005-09
Second reading of Ordinance No. 2005-09 amending Chapters 2 and 34 (Signs) of Title 12 of the Municipal Code, Z-2003-001, E-2004-003, was conducted, and the Ordinance was adopted.

Ordinance No. 2005-09 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE AMENDMENTS TO CHAPTERS 2 AND 34 (SIGNS) OF TITLE 12 OF THE SANTA MARIA MUNICIPAL CODE, Z-2003-001.

J. ABC GRANT
Resolution No. 2005-122 was adopted authorizing the appropriation of $27,830 to be allocated to the Santa Maria Police Department under the provisions of the Department of Alcoholic Beverage Control Grant.

Resolution No. 2005--122 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROPRIATING FUNDING UNDER THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL GRANT ASSISTANCE TO LOCAL LAW ENFORCEMENT AGENCIES PROGRAM.

K. CALL FOR BIDS
Approval was granted to call for bids on the plans and specifications for Concrete Repair/Replacement – 2006, Bid No. 2006/01.

L. VACATING EASEMENT
Resolution No. 2005-123 was adopted vacating the eight and one-half foot wide drainage easement which runs along the south side of 1404 North Concord Avenue, APN 128-029-007.

Resolution No. 2005-123 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, VACATING THE EIGHT AND ONE-HALF FOOT WIDE DRAINAGE EASEMENT ALONG THE SOUTHERN SIDE OF 1404 NORTH CONCORD AVENUE, APN 128-029-007.

M. CONVEYING PROPERTY
Resolution No. 2005-124 was adopted directing the Mayor to sign a grant deed to convey approximately 1,000 square feet of remnant surplus property along Depot Street to the adjacent property owner located at 1038 West Main Street in exchange for a 10-foot wide water line easement and a $1,500 payment.

Resolution No. 2005-124 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AND DIRECTING THE MAYOR TO SIGN A GRANT DEED FOR CONVEYANCE OF TWO LOTS TO THE PROPERTY OWNER AT 1038 WEST MAIN STREET.

N. NO PARKING ZONES
Resolution No. 2005-125 was adopted approving the establishment of no parking zones on Professional Parkway and Cooley Lane from 12:00 midnight to 4:00 a.m., seven days a week.

Resolution No. 2005-125 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, ADOPTING NO PARKING ZONES ON PROFESSIONAL PARKWAY AND COOLEY LANE PURSUANT TO SECTION 7-5.14 OF THE SANTA MARIA MUNICIPAL CODE.

O. ORDINANCE NO. 2005-10
Second reading of Ordinance No. 2005-10 creating Chapter 4 of Title 10 of the Santa Maria Municipal Code regarding Open Waterfront Recreational Park Areas was conducted, and the Ordinance was adopted.

Ordinance No. 2005-10 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA ADDING CHAPTER 4 TO TITLE 10 OF THE SANTA MARIA MUNICIPAL CODE REGARDING OPEN WATERFRONT RECREATIONAL PARK AREAS.

FOURTH QUARTER FINANCIAL REPORT
Director of Administrative Services Snodgrass gave the staff report. With 100 percent of the year complete, revenues are at 108.7 percent of projections while expenditures are at 94.5 percent of projections. Total revenues and transfers were higher than budgeted and compared with the prior year. Total income was $1.4 million or 2.8 percent higher than last year at this time, while departmental expenditures were $3.4 million higher than the prior year. Transfers-In were significantly higher in 2004-05 as a result of the $3.4 million funding from the Capital Projects-General Fund for the early retirement of 1993 bonds. The top five revenue sources account for about 54.9 percent of total General Fund revenues. The two largest budgeted revenues, sales tax and vehicle license fees (VLF), account for 38.5 percent and are directly tied to the economy. Sales tax receipts were approximately $1.2 million more than the prior year. The City received estimated payments toward the replacement property tax backfill, but the reconciliation payment will not be received until 2005-06. Vehicle License Fee receipts were approximately $1.7 million higher than the prior year and are 103.8 percent of budget. The increase this year was due, in part, to the large decrease last year when the State deferred $1.4 million of VLF "Backfill Gap" monies due the City. The Backfill Gap was

the result of the 2003 lag period between when VLF fees were increased and when payments, at the higher rate, were received. Operating costs were 6.4 percent less than budgeted at the end of the fourth quarter. The Water/Wastewater Fund continues to have long-term commitments. Though debt service requires a significant amount of the fund's resources, all bond restrictions and rate covenants are being met. Additionally, a budget amendment report is included which recommends several personnel and operational changes.

Mayor Lavagnino commended Director Snodgrass and said this was the kind of quarterly report he liked to see.

Councilmember Trujillo stated this was a good example of how the City Council was briefed on the financial condition of the City.

Councilmember Orach stated under the Santa Maria Area Transit it says the farebox ratio for the fourth quarter was 14.6 percent. He asked if SMAT was close to making the 20 percent target for the entire year.

Director Snodgrass explained that it was close to the 20 percent farebox ratio. These records do not include the year-end accruals. When that takes place, it will probably be much closer to the 20 percent.

City Manager Ness explained that when any major change to the system occurs, which was the case when the City added Sunday service, they give the City a three-year time period to get to that 20 percent farebox ratio.

Councilmember Patino stated receipts on the Vehicle License Fee are almost $2 million more than the prior year. Bed tax revenues are up $154,000. She asked if that was that due to the Michael Jackson trial?

Director Snodgrass replied she could not find any direct correlation to the increase in bed tax from the Michael Jackson trial.

Councilmember Mariscal talked about the State taking away the Vehicle License Fee backfill and the early payment that the State would be making to cities because of the increase in the State's economy. The State shifting money away from cities was what prompted the City to start its reserve fund. The City of Santa Maria is a viable, on-going entity. Revenues are higher than anticipated; but more importantly, expenditures are lower. That is because of the good people who run a pretty tight ship.

Mayor Lavagnino stated the reason the City of Santa Maria is in such good financial condition is because of the City Manager, Assistant City Manager, and the Department Heads. The departments are all run very efficiently. Santa Maria is very well run.

William Wagener commented on the quarterly report. It is outstanding except he didn't see the $600,000 legal fund set aside for the lawsuit against Comcast and the City he has not yet brought or the funds for the Michael Joe Jackson Memorial Park he had suggested several meetings ago. It also doesn't show the pension funds or the PEG funds and how they are being used. He asked for a more complete budget that shows the line items. Lompoc has two editing bays and Santa Maria only has one. That is wrong.

City Manager Ness announced that Assistant City Manager Haydon had just recently sent Mr. Wagener a line item detail of the entire budget.

Assistant City Manager Haydon explained that the line-item budget that was sent to Mr. Wagener did indicate the three PEG Access funds - the shared fund, the Santa Maria fund, and the Lompoc fund. There are two items Mr. Wagener continues to request, the editing bay and the $600,000. The second editing bay is in the process of being purchased right now for Santa Maria according to Executive Director Bryan Miller.

The $600,000 that Mr. Wagener alluded to is an issue that came up about three years ago. It has been dealt with, it is in the General Fund's fund balance. It has been there for about two and a half years, and it is not earmarked for any type of litigation or anything else.

Mayor Lavagnino asked if Assistant City Manager Haydon was saying that $600,000 is now and has been for several years in the General Fund fund balance and is unrestricted in the General Fund.

Assistant City Manager Haydon replied that was correct. It was money received from Comcast for non-compliance issues that was put in General Fund.

Ernest Armenta commented that Director Snodgrass had mentioned that this was not a final budget report. He asked about the $5.7 million the City received from the sales of impacted soils and surplus water. He asked where that money went, and if it went into the General Fund. He asked about the $148,000 for the Council's budget. He asked what that money was spent on. He indicated he would make an appointment with the Director of Administrative Services to get his questions answered.

Resolution No. 2005-128 was adopted on motion by Councilmember Orach, seconded by Councilmember Trujillo, and carried on the following roll-call vote:

AYES: Councilmembers Mariscal, Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2005-126 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING BUDGET AMENDMENTS REGARDING PERSONNEL AND OPERATIONAL CHANGES.

REPORT BY CITY MANAGER

City Manager Ness reported that the Chamber of Commerce would be presenting its Visitor and Convention Bureau Semi-Annual Report and the Economic Development Report at the August 16, 2005, City Council meeting.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS

Councilmember Trujillo stated the sign ordinance would go into effect shortly. In the past there was a fund to help businesses getting established. He suggested the City explore the possibility of working with the Chamber of Commerce to establish a fund to help new businesses with their signs.

Mayor Lavagnino stated he and Mr. Ness met with the Mayor of San Martin de Hidalgo and a delegation from there. They were very gracious people and were very appreciative that the City had sent buses to them previously. The City is in the process of finding another bus for them. They also asked for computers for their high school, and the City was trying to find those. They have invited the City Council to come down to San Martin de Hidalgo during Independence Day in Mexico in September.

Councilmember Patino stated she had the privilege of reading the proclamation for Relay for Life on Saturday, July 23rd, for the opening ceremonies. They raised over $325,000. They had 60 teams this year and so many cancer survivors. It was so impressive how the people of Santa Maria Valley come together to show support.

Councilmember Mariscal reported on his travels over the last 30 days. He thanked everyone for their condolences for the passing of his wife's birth mother. Yesterday, he attended a presentation by Barry Sedlick, the Undersecretary for the California Business Transportation and Housing Department for Governor Schwarzenegger. He presented a check to the County of Santa Barbara for $31,119,770 which included the funds for the widening Highway 101 through Santa Maria to 6 lanes. This project has been on the top of the list of the California Transportation Commission for almost three years. The reason it was at the top of the list was because of Measure D funding in

Santa Barbara County. Measure D is a self-help tax measure. He urged voters to vote to reauthorize Measure D.

Councilmember Orach reported on the last SBCAG meeting he attended in Councilmember Mariscal's absence. The bridge over the Santa Maria River will be a joint project between SBCAG and SLOCOG and will happen in the future making Highway 101 much safer.

CLOSED SESSION:
Mayor Lavagnino announced that a Closed Session for Conference with Legal Counsel regarding existing litigation pursuant to Subsection (a) of Government Code Section 54956.9 to discuss Santa Maria Valley Water Conservation District v. City of Santa Maria would not be necessary.

ADJOURNMENT
There being no further business to come before the City Council at this time, the meeting was declared adjourned at 7:45 p.m. by order of Mayor Lavagnino to a Special City Council meeting on Monday, August 8, 2005, at 6:30 p.m. in the City Hall Council Chambers regarding the recent water settlement agreement.

APPROVED

August 16, 2005
Date

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST:
Chief Deputy City Clerk

Mayor of the City of Santa Maria